

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF FLORIDA  
PENSACOLA DIVISION

UNITED STATES OF AMERICA

3:12 cr 14- RV

v.

ELLEN MEREDITH STUBENHAUS,  
Defendant.

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CRIMINAL INFORMATION

1. The United States charges that beginning in or about April 2002, the exact date being unknown to the United States, and continuing through on or about August 20, 2008, in the Northern District of Florida and elsewhere, ELLEN MEREDITH STUBENHAUS knowingly conspired with other persons, both known and unknown, to defraud the United States by impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service (IRS) in the ascertainment, computation, assessment and collection of income taxes.

Object of the Conspiracy

2. The object of the conspiracy was that STUBENHAUS and her co-conspirators would and did impede, impair, obstruct, and defeat the IRS in its assessment and collection of STUBENHAUS's personal income taxes and the income taxes of the principals of Pinnacle Quest International (PQI) and Synergy Productions International (SPI), by their joint efforts to conceal the income and assets of STUBENHAUS and of the principals PQI and SPI.

FILED IN OPEN COURT THIS

1-27-12

CLERK, U. S. DISTRICT  
COURT, NORTH DIST. FLA

**Introductory Allegations**

3. Pinnacle Quest International, also known as "PQI" or "Quest," was a Panamanian business entity headquartered in Fort Walton Beach, Florida, in the Northern District of Florida. PQI operated a marketplace for a variety of "vendors," several of whom sold fraudulent tax evasion schemes.

4. PQI sold memberships at three levels of participation: Q1 (\$1,350), Q2 (\$7,500.00) and Q3 (\$18,750.00). PQI Q1 members gained access to various presentations, conference calls, DVDs, and CDs. Q2 and Q3 members gained access to offshore conferences organized by PQI.

5. PQI contracted with various "vendors" who sought access to PQI members to promote their theories and sell their products. Many vendors were also speakers on the Q1 CD set and presenters at the Q2 and Q3 offshore conferences. Many vendors would only accept clients who first joined PQI at the Q1, Q2, or Q3 level. In practice, most clients joined PQI in order to have access to its vendors.

6. A PQI "Qualified Consultant," or "QC," was an individual who was authorized by PQI to sell one, two, or all three of PQI's membership levels. STUBENHAUS was a PQI QC and was "qualified" to sell all three levels of PQI membership.

7. Membership fees for Q1, Q2, and Q3 memberships were paid to the Qualified Consultants. Qualified Consultants paid a portion of each client's membership fee – known as the "wholesale price" – to Synergy Productions International, or SPI, a PQI-affiliated entity.

8. Qualified Consultants were encouraged to refer clients to PQI-authorized vendors.

Vendors frequently paid referral or "thank-you" bonuses to marketers who referred clients.

9. Top-selling PQI marketers became part of PQI's "Executive Council," or "EC." The Executive Council assisted in administering and operating PQI, which included approving new PQI vendors, organizing offshore conferences, and fielding complaints about PQI vendors and QCs. STUBENHAUS was a member of PQI's Executive Council.

10. In addition to its offshore seminars, PQI organized promotional seminars in the United States known as "Quest Live" and "Cutting Edge." PQI QCs would bring clients or prospective clients to these events, where they would hear marketing presentations for PQI and its vendors. STUBENHAUS organized several "Quest Live" seminars and often served as the master of ceremonies at these seminars.

11. PQI was the successor entity to the Institute for Global Prosperity, also known as "IGP" or "Global," which ceased operations in approximately May 2002 after U.S. law enforcement began a criminal investigation into Global and its founders. Like PQI, Global sold multiple levels of membership, including an audio course and offshore conferences. Also like PQI, Global sold access to its vendors, including fraudulent tax and debt elimination schemes. Global vendors and salesmen were offered the opportunity to "grandfather" into PQI for a nominal fee. STUBENHAUS was a member of Global.

12. Southern Oregon Resource Center Educational Services, or "SORCE," was a PQI vendor headquartered in Ashland, Oregon. SORCE's product consisted of a series of nominee business entities, including LLCs and offshore corporations, used to conceal assets from the IRS and other creditors. SORCE clients were encouraged to re-title their assets in the names of the SORCE-created business entities, to give the false appearance that the client did not own the

assets, when in fact, the client retained control of the assets at all times, even when those assets were nominally held in corporate form. STUBENHAUS was a SORCE client.

13. MYICIS was a PQI vendor headquartered in Berryville, Arkansas. MYICIS offered its customers access to a "warehouse bank" – a pooled bank account, opened in the name of MYICIS, at a legitimate bank. Each MYICIS customer had a sub-account within the pooled account, and records of the funds in each sub-account were maintained by the operators of MYICIS. The existence of the sub-accounts and the identity of the sub-account holders was not disclosed to the bank where the pooled account was held. This arrangement gave the false appearance to the depository bank (and to anyone who was not a MYICIS member, including the IRS) that MYICIS itself owned and controlled all the money in the pooled account. But in fact, the client retained control over his funds in the pooled account, because each MYICIS client's money was available to him essentially on demand, through a variety of methods. STUBENHAUS was a MYICIS client.

14. IMF Decoder, also known as IRS Codebusters, was a PQI vendor headquartered in the Seattle, Washington area. IMF Decoder sold its clients a product which claimed to eliminate the obligation to file tax returns and pay taxes. The product consisted of a series of form letters to the IRS which accused the IRS of fraud and demanded that the IRS issue a letter conferring tax-exempt status on the client going forward. IMF Decoder also had a second purpose: attempting to create a defense to a criminal prosecution by self-consciously manifesting an erroneous understanding of the tax obligations of ordinary Americans. STUBENHAUS was an IMF Decoder client.

Ways and Means of the Conspiracy

15. It was part of the conspiracy that after she became a PQI member, STUBENHAUS would not and did not file federal income tax returns nor pay federal income taxes.

16. It was part of the conspiracy that STUBENHAUS would and did utilize the services of PQI vendors SORCE and MYICIS to establish nominee entities and to join a pooled "warehouse" bank account, respectively, for the purpose of deceitfully hiding her own PQI-related income from the IRS.

17. It was part of the conspiracy that STUBENHAUS would and did mail form letters to the IRS and others to attempt to fabricate a "reliance defense" once she was prosecuted for breaking the tax laws.

18. It was part of the conspiracy that STUBENHAUS, with the aid of co-conspirators, would and did transfer significant amounts of her assets offshore.

19. It was part of the conspiracy that STUBENHAUS would and did assist other co-conspirators in concealing the income of PQI and SPI by remitting the wholesale portion of STUBENHAUS's PQI membership sales through the pooled "warehouse" bank account MYICIS.

20. It was part of the conspiracy that STUBENHAUS and others would and did make false accusations of criminal activity against IRS employees in order to impede and impair the proper assessment and collection of their personal taxes.

Overt Acts

In furtherance of the conspiracy, and to effect its object, the following overt acts, among

others, were committed in the Northern District of Florida and elsewhere:

21. On or about April 4, 2002, ELLEN STUBENHAUS sent a letter prepared by IMF Decoder to the IRS, in which STUBENHAUS claimed that the IRS was committing fraud against her by attempting to "fraudulently extract money" from her, and demanded that the IRS cease any collections activities and criminal investigations against her.

22. On or about May 12, 2002, ELLEN STUBENHAUS "grandfathered" into PQI from Global, and became a PQI Qualified Consultant.

23. In or about October 2002, ELLEN STUBENHAUS became a member of PQI's Executive Council.

24. On or about February 21, 2003, ELLEN STUBENHAUS filed a Mail Fraud Report with the U.S. Postal Service which falsely claimed that STUBENHAUS had received a fraudulent tax bill from the IRS.

25. From on or about June 1 through 6, 2003, ELLEN STUBENHAUS and others attended a Q2 conference in Cancun, Mexico.

26. From on or about December 7 through 12, 2003, ELLEN STUBENHAUS and others attended a Q2 conference in Cancun, Mexico.

27. From on or about June 20 through 26, 2004, ELLEN STUBENHAUS and others attended a Q2 conference in Cabo, Mexico.

28. From on or about September 19 through 25, 2004, ELLEN STUBENHAUS and others attended a Q3 conference in Panama City, Panama.

29. On or about November 11, 2004, ELLEN STUBENHAUS established a Panamanian nominee entity, World Rhythm Foundation, using the services of PQI vendor

SORCE.

30. On or about November 11, 2004, ELLEN STUBENHAUS established a Panamanian nominee corporation, Right of Way Inc., using the services of SORCE.

31. On about November 24, 2004, ELLEN STUBENHAUS established a warehouse bank account with PQI vendor MYICIS in the name of Right of Way Inc.

32. From on or about February 19 through 24, 2005, ELLEN STUBENHAUS and others attended a Q2 conference in Cancun, Mexico.

33. On or about July 21, 2005, ELLEN STUBENHAUS told a prospective PQI client that PQI's client list, and PQI's records of how many sales PQI salesmen made, are kept in Malaysia to prevent the IRS from obtaining them. STUBENHAUS also stated that PQI does not report sales commissions earned by its salesmen to the IRS, and stated "there's no reporting, no 1099, no nothing. You don't want a 1099."

34. From on or about October 23 through 29, 2005, ELLEN STUBENHAUS and others attended a Q2 conference in Ixtapa, Mexico.

35. From on or about February 25 through March 5, 2006, ELLEN STUBENHAUS and others attended a Q3 conference in Malta.

36. On or about February 16, 2006, ELLEN STUBENHAUS caused the operators to MYICIS to wire transfer \$10,000 to a bank in Costa Rica.

37. On or about March 22, 2006, ELLEN STUBENHAUS caused the operators of MYICIS to wire transfer \$24,750 to a bank in Nassau, Bahamas, for investment with a brokerage firm.

38. On or about April 4, 2006, ELLEN STUBENHAUS caused the operators of

MYICIS to wire transfer \$25,000 to a bank in Hong Kong.

39. From on or about May 27 through June 4, 2006, ELLEN STUBENHAUS and others attended a Q2 conference in Cancun, Mexico.


40. From on or about December 2 through 9, 2006, ELLEN STUBENHAUS and others attended a Q2 conference in Cancun, Mexico.

41. From on or about May 14 through 21, 2007, ELLEN STUBENHAUS and others attended a Q3 conference on a Mediterranean cruise.

42. From on or about September 16, 2007, through September 22, 2007, ELLEN STUBENHAUS and others attended a Q2 conference in Cancun, Mexico.

All in violation of 18 U.S.C. § 371.

Pamela C. Marsh  
United States Attorney



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Jonathan R. Marx  
Trial Attorney  
U.S. Department of Justice  
Tax Division